

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 798 - HB 1040

April 12, 2021

SUMMARY OF ORIGINAL BILL: Prohibits any state official or employee from bidding on, selling, offering for sale, or possessing any interest in selling, a service to the state during the individual's tenure with the state, or for six months thereafter.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006975): Deletes all language after the enacting clause. Prohibits any member of the General Assembly from bidding on, selling, or offering for sale a service to the state during the tenure of such member's office and for six months thereafter, or from having a financial interest in any such activities. Specifies that the prohibition does not apply if: (1) the member was elected to the General Assembly prior to July 1, 2021; (2) the member provided or offered to provide the service to a state entity prior to July 1, 2021, and the service is being provided or offered to the same state entity; (3) the member has held office continuously since July 1, 2021, and; (4) the member disclosed the nature of the service and the name of the state entity to which the service is provided or offered on the member's required disclosure statement of interest no later than September 1, 2021 and annually thereafter for all years in which the member has continuously served as a member of the General Assembly.

Exempts: (1) employment contracts, including indigent defense contracts; (2) medical service contracts, and; (3) cases in which the financial interest is held in a blind trust prior to administration of the member's oath of office, during the member's tenure, and for at least six months thereafter, and disclosed in accordance with current statutory requirements of members of the General Assembly. Specifies that all exemptions provided in the legislation do not apply to services provided to the legislative branch of state government, and that the legislation does not preclude either house of the General Assembly from adopting a rule more restrictive.

Disqualifies any person convicted of such offenses from ever again holding any office under the laws or constitution of Tennessee. Specifies that the disclosure requirements of the legislation only apply to members elected prior to July 1, 2021, who are seeking an exemption to the proposed prohibitions.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation prohibits any member of the General Assembly from bidding on, selling, or offering for sale, any service to the state during the tenure of such member's office, or for six months thereafter, or from having a financial interest in any such activities.
- Pursuant to Tenn. Code Ann. § 12-4-103(c), any such violation is a Class E felony.
- The restrictions on members of the General Assembly will not significantly alter the policies or procedures of the Department of General Services or the Central Procurement Office, nor are they expected to significantly shrink the pool of services available to the state. Any fiscal impact to state government is estimated to be not significant.
- There will not be a sufficient number of Class E felony prosecutions for state government to experience any significant increase in revenue of liability and interest paid or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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